

AFFIDAVIT IN SUPPORT OF CRIMINAL COMPLAINT

I, Shawn Gibson, (hereinafter “Your Affiant”), being duly sworn, state the following is true and correct to the best of my knowledge and belief:

1. Your Affiant is a Supervisory Special Agent with the United States Department of Homeland Security, Immigration and Customs Enforcement (ICE), Homeland Security Investigations (“HSI”) currently assigned to Kansas City, Missouri, and have been a federal officer for over 12 years. Your Affiant has successfully completed the Federal Law Enforcement Training Center Criminal Investigator Training Program and the Customs Basic Enforcement School (CBES) Training in Brunswick, Georgia. As part of your Affiant’s duties as a Supervisory Special Agent, your Affiant has participated in, led and supervised numerous investigations involving smuggling, drug trafficking, commercial fraud, intellectual property theft, money laundering, child exploitation, and financial investigations. Your Affiant has had the opportunity to observe and review numerous examples of counterfeit products in several forms, including but not limited to counterfeit software, and has received training and instruction from experts in the field of investigation of IPR investigations. Additionally, your Affiant has been involved in all aspects of criminal investigations including surveillance, undercover operations, and your Affiant is authorized to serve and execute search and arrest warrants. Prior to becoming a federal officer your Affiant worked as Deputy Sheriff, Detective and Task Force Officer in the Kansas City Metropolitan area for approximately five years.

2. This affidavit is offered in support of a complaint charging **REZA DAVACHI** (“**DAVACHI**”), doing business as **REZ CANDLES, INC.** and **PROJECT CONTACT AFRICA**, CASEY LEE ROSS, MATTHEW LOCKWOOD doing business as DISCOUNT MOUNTAIN, INC., INDIVIDUAL B, INDIVIDUAL C, CORPORATION A, CORPORATION

B, INDIVIDUAL D, CORPORATION C, CORPORATION D, CORPORATION E, INDIVIDUAL E, CORPORATION F, and others known and unknown, did knowingly conspire and agree amongst themselves to commit and to conceal offenses against the United States, that is: to commit the crimes of wire fraud in violation of 18 U.S.C. § 1343; unauthorized solicitation of access devices in violation of 18 U.S.C. § 1029(a)(6); trafficking in illicit labels, counterfeit labels, and counterfeit documentation and packaging in violation of 18 U.S.C. § 2318; and trafficking in counterfeit goods in violation of 18 U.S.C. § 2320; all in violation of 18 U.S.C. § 371.

3. The facts and information contained in this affidavit are based in part on your Affiant's review of various email correspondence and accounts associated with **Reza DAVACHI** ("**DAVACHI**") and his **REZ CANDLES, INC.** business, records for his related businesses including **digitaldeliverydownloads.com**, **checkus1st.com**, his operations and management of the online presence of the **PROJECT CONTACT AFRICA** charitable organization, open source investigations of publicly available information, information provided to your Affiant by the victims Microsoft Corporation ("Microsoft"), Adobe Systems Incorporated ("Adobe"), and eBay/Paypal, and bank records relating to **DAVACHI** and the above-referenced entities. All observations not personally made by your Affiant were related by the individuals who made them or by your Affiant's review of business records, bank records, documents, and other physical evidence obtained during the course of this investigation.

Summary of the Investigation

4. Based on the evidence gathered in the course of this investigation, your Affiant has probable cause to believe that, from at least 2009 to the present, **DAVACHI** has fraudulently obtained and sold counterfeit, illicit, and/or unauthorized Microsoft software, software products,

and related components, including unauthorized product key codes and counterfeit product key cards, grossing millions in revenue through these illicit sales. In the course of this conspiracy, **DAVACHI** obtained these products through various sources to include CASEY LEE ROSS (doing business as Software Slashers)¹ and other suspect sources and known counterfeiters in the People's Republic of China, making contact and conducting business through the phone and Internet. **DAVACHI** then engaged in numerous monetary transactions with his co-conspirators in the United States with the proceeds from the fraud. **DAVACHI**, in turn, supplied other individuals with these counterfeit illicit, and/or unauthorized software products, including MATTHEW LOCKWOOD (doing business as DISCOUNT MOUNTAIN, INC.)² and others.

5. In the course of this investigation, HSI special agents based in Kansas City, Missouri, learned in mid-2013 that ROSS had purchased (and redistributed) tens of thousands of illegitimate and unauthorized Microsoft product key codes and counterfeit product key cards from suspect sources in the People's Republic of China. These product key codes were purchased from suspect sources at prices well below that of the Estimated Retail Price ("ERP"), had to be continually checked to verify that the limited number of activations had not been used or that they had not been blocked by Microsoft, and, in many cases, were distributed on counterfeit card stock intended to make it appear as if they were genuine Microsoft products. ROSS then distributed large quantities of these product key codes and counterfeit Microsoft product key cards to various co-conspirators within the United States, who in turn sold the

¹ ROSS has already entered a plea of guilt relating to this conduct with **DAVACHI** and others. See *United States v. Casey Lee Ross*, Case No. 15-00196-CR-W-DGK (W.D. Mo. Jun. 11, 2015).

² LOCKWOOD has already entered a plea of guilt relating to this conduct with **DAVACHI** and others. See *United States v. Matthew Lockwood, doing business as Discount Mountain, Inc.*, Case No. 15-00197-CR-W-DGK (W.D. Mo. Jun. 11, 2015).

product key codes and counterfeit product key cards through their respective websites as well as on e-commerce sites such as eBay or Amazon.com.

6. HSI agents learned that ROSS was principally supplying numerous individuals who, in turn, were all engaged in the business of selling these unauthorized product key codes and counterfeit product key cards for Microsoft software products to unsuspecting customers. HSI investigators learned that ROSS was conspiring with numerous co-conspirators, including **REZA DAVACHI** in Damascus, Maryland and **MATTHEW LOCKWOOD** in Denver, Colorado, as well as others, to execute this scheme.

Overview of Software Piracy Violations

7. Your Affiant is aware that Microsoft Corporation (“Microsoft”) is a Washington corporation with its principal place of business located at One Microsoft Way, Redmond, Washington. Microsoft develops markets, distributes, and licenses computer software programs. These software programs have included, but are not limited to the following, many of which are or have been licensed as home, professional or student/academic versions: Windows 8.1, Windows 8; Windows 7; Windows Vista; Microsoft Office; Microsoft Office Home and Business; Microsoft Office Professional; Microsoft Office for Mac; Microsoft Office for Mac Home and Business; Microsoft Office for Mac Home and Student; Microsoft Visio; Microsoft Access; Microsoft Excel; and Microsoft Word, among others.

8. Your Affiant is further aware that Adobe Systems Incorporated (“Adobe”) is a California corporation with its principal place of business located at 345 Park Avenue, San Jose, California. Like Microsoft, Adobe also develops, markets, distributes, and licenses computer software programs. These software programs have included, but are not limited to, the following, many of which are or have been licensed as retail, professional or student/academic

versions: Adobe Acrobat, Adobe After Effects, Adobe Director, Adobe Dreamweaver, Adobe Fireworks, Adobe Flash, Adobe Illustrator, Adobe InDesign, Adobe Photoshop, and Adobe Premiere, among others.

9. Your Affiant is further aware that software that is distributed by Microsoft and Adobe on physical media to its intended customers or authorized distributors (whether it is boxed for retail or accompanies a computer or computer hardware) will be distributed with a label, documentation, or packaging designed to be affixed to, enclosing, or accompanying the physical media, or to a computer or computer hardware that contains the copy of the copyrighted computer program. These labels, documentation, and packaging are distributed along with copies of the copyrighted computer programs to demonstrate that the copy of the computer program is genuine, and to signal the authorized transfer of a license to the intended end user that its use is non-infringing.

10. Your Affiant is further aware that Microsoft and Adobe also distribute their software products using a variety of distribution channels. One method of distribution employed by Microsoft is via digital download. There are a limited number of sites where customers can legally purchase digital downloads of Microsoft or Adobe software. Customers may purchase digital downloads of Microsoft or Adobe software directly from these companies, or only through authorized retailers, or its authorized retail partners provide an Internet link that allows the customer to download a copy of the software, which is then unlocked through the entry of a product key code or serial number, as described below.

11. Your Affiant is further aware that software developers license the use of their copyrighted computer programs to an end user. The terms of the license will vary substantially based upon the context in which the software is to be used (for example, home, academic, or

enterprise), the number of licenses being purchased, the geographic location of the purchaser, the number of activations allowed under the license, as well as other factors, and the associated price of the license may vary substantially based on these factors. Software licenses may also be issued in volume to manufacturers of computers and related computer hardware which allows those manufacturers to include the software with the computer or computer hardware at the time of purchase. When preinstalled on or included with a prebuilt computer or with computer hardware, these software licenses are called original equipment manufacturer (“OEM”) licenses.

12. Your Affiant is further aware that, in order to ensure that a copy of a computer program may be appropriately installed and used in accordance with its license terms, software companies such as Microsoft and Adobe have employed the use of a product key code (Microsoft) or serial number (Adobe) to register and authenticate a software product upon installation. This product key code or serial number is a unique alphanumeric code that corresponds with a specific license and the distinctive associated terms and limitations of that license, such as the type of software program it was intended to be used with, nature of the license, and number of activations, among many other characteristics.

13. Your Affiant is further aware that, during the installation and activation process, the intended user’s computer accesses Microsoft and Adobe servers to register this software program and check the product key code or serial number relative to the distinctive characteristics associated with its specific license. Assuming it then passes this verification process, this product key code or serial number unlocks the functionality of the software associated with the license that the licensee has acquired. Depending upon the terms of the associated license, a specific product key code or serial number may allow a limited number of computers on which the licensee may unlock the software, or the use of this software may be

otherwise temporally limited based on the nature of this license (if it is a trial license or subscription license). Microsoft or Adobe may block the product key code or serial number if it has been used to activate too many copies of the software, or has been identified as stolen. If the product key code or serial number is rejected by the company servers, the software program will not operate.

14. Your Affiant is further aware that the United States Patent and Trademark Office (“USPTO”) is an agency of the United States that, among other functions, examines and registers trademarks. Trademarks are words, names, symbols, or devices intended to distinguish one producer’s goods from those of other producers and to identify the source of the goods to prevent confusion concerning the source of goods. Through the registration of trademarks, the USPTO assists businesses in protecting their investments, promoting goods and services, and safeguarding consumers against confusion and deception in the marketplace. By disseminating trademark information, the USPTO promotes an understanding of intellectual property protection and facilitates the development and sharing of new technologies. Registration of a producer’s trademark on the USPTO’s principal register gives notice to the world of the producer’s exclusive right to use and to protect that trademark. Microsoft and Adobe have multiple registrations on the principal register of the USPTO.

15. In the course of this conspiracy, **DAVACHI** used his **REZ CANDLES, INC.** affiliated websites and **THE SIXTH MAN FOUNDATION, d/b/a PROJECT CONTACT AFRICA** eBay charity store to advance this scheme to defraud, which involved a wire fraud scheme (18 U.S.C. § 1343) involving the widespread sale, distribution, and solicitation of various unauthorized product key codes (18 U.S.C. § 1029(a)(6)) and counterfeit software product key cards (18 U.S.C. §§ 2318 and 2320). **DAVACHI** has been identified as a direct

importer and manufacturer of these counterfeit items, and as a co-conspirator with ROSS and LOCKWOOD in this software piracy scheme.

DAVACHI and REZ CANDLES, INC.

16. **DAVACHI** is the registered agent and owner of **REZ CANDLES, INC.**, 24125 Preakness Drive, Damascus, Maryland, and PO Box 215, Clarksburg, Maryland, through a foreign corporation qualification application filed with the Maryland Secretary of State's office on May 5, 2011. This foreign corporation name is designated as Maryland Department ID # F14114490, and relates to a previous corporation ("**Rez candles, Inc.**") filed with the Delaware Division of Corporation on April 19, 2010. A search of the Maryland Department of Assessments and Taxation website indicates that "**REZ CANDLES, INC.**" is, in turn, the owner of the following business trade names: **digitaldeliverydownloads.com** and **checkus1st.com**. "**Reza Davachi**" and the "**Rez Candles Company**" are listed on the Internet WHOIS registries as the owners of those two website domain names.

17. Your Affiant has reviewed the investigative reports relating to these software products offered for sale (and previously offered for sale) on the **digitaldeliverydownloads.com** and **checkus1st.com** websites. Prior to HSI's search of **DAVACHI**'s residence and principal place of business on December 10, 2014, these websites offered various software products for sale, including those produced by Microsoft (such as Microsoft Windows 7 Home Premium Download for \$89.00 and Microsoft Windows 7 Professional (1PC full version license only) for \$109.25), Kaspersky, Norton, Intuit and others. These websites indicated customers will receive a "digital download" only, and that customers will not receive a physical product, and customers were given the option of purchasing a physical copy of the software for a nominal fee. Fraud representatives with Microsoft indicated that the prices previously listed on the

digitaldeliverydownloads.com and **checkus1st.com** websites ranged from anywhere from a third to a half of the manufacturer's suggested retail price ("MSRP") or estimated retail price ("ERP").

DAVACHI's Management of Online Presence of THE SIXTH MAN FOUNDATION d/b/a PROJECT CONTACT AFRICA ("PROJECT CONTACT AFRICA") Charity

18. Open source record checks conducted in July of 2014 by HSI SA Suarez of **DAVACHI** and **REZ CANDLES, INC.**, revealed a "**Rez Candles**" website located at rezcandles.com. This website had a link named "**Project Contact**," which, when clicked, directed customers to the www.projectcontactafrica.com website. This projectcontactafrica.com website serves as the primary online presence for **THE SIXTH MAN FOUNDATION** (which does business as "**PROJECT CONTACT AFRICA**" or "**PROJECT CONTACT**"). Until late August of 2014, the "contact us" link on the website listed phone number (301) 758-2460 and PO Box 215, Clarksburg, Maryland 20871, which is known contact information for **DAVACHI**.

19. Through open source searches and a review of the aforementioned website, your Affiant is aware that **PROJECT CONTACT AFRICA** is a formally registered 501(c)(3) charitable organization. The primary exempt purpose for this charity, according to publicly-available tax filings, is "to support a medical clinic in Africa for needy families and children." Your Affiant is further aware that this **PROJECT CONTACT AFRICA** charity relates back to a charity originally formed in the state of Oregon (registration number 12929) for "[s]upplying money, goods, or services to the poor," and "[t]o provide aid to the Portland (community) Trailblazer fans." Your Affiant is further aware that a corresponding corporate registration in the state of Washington for "**6th Man Foundation Db a Project Contact**" (Washington Secretary of State Registration No. 35486) reflects "Failure to Register/Renew" as its present registration status.

20. Your Affiant reviewed open source information on the **PROJECT CONTACT AFRICA** website and discovered an associated eBay charity store for **PROJECT CONTACT AFRICA**. In November of 2014, this charity store eBay page offered products such as Microsoft Windows 7 Professional with 2 DVDs for \$99.99, Microsoft Windows 7 Home Premium 32/64-bit Operating System for \$78.89, and Microsoft Office 365 Home Premium (1-5 PCS) for \$69.95. The posts for the items listed for sale on this eBay charity store also claim that sales of these items go “100% to charity” to benefit **PROJECT CONTACT AFRICA**. The advertised prices for the products offered for sale on the **PROJECT CONTACT AFRICA** eBay charity store mirror those same products sold through **DAVACHI**’s **digitaldeliverydownloads.com** and **checkus1st.com** websites.

21. Your Affiant has reviewed eBay and PayPal records for purchases made through the **PROJECT CONTACT AFRICA** charity store account and found that **DAVACHI** has sold thousands of Microsoft products through the eBay charity store listings. Your Affiant further observed that, over the course of the last four years, this **PROJECT CONTACT AFRICA** charity store account has netted approximately \$4.8 million in sales of Microsoft software products. **DAVACHI** is listed as one of the points of contact for this charity store’s online presence.

22. Your Affiant is further aware that **DAVACHI** filed a “We Are Project Contact” trademark application with the United States Patent and Trade Office (“USPTO”) and designated registration number 4153856. Your Affiant is further aware that this word mark has appeared, at various times, on the **PROJECT CONTACT AFRICA** eBay charity store webpage and on the www.projectcontactafrica.com website. **DAVACHI** is the signatory for this trademark application, which was registered with the USPTO on June 5, 2012.

23. Your Affiant is further aware that **DAVACHI** used and employed the **PROJECT CONTACT AFRICA** eBay charity store's status as a formally registered charity to avoid having to pay the full registration and listing fees for items sold through this account. In the course of this investigation, your Affiant has further learned that **DAVACHI** offered other co-conspirators the opportunity to sell their items and products through **PROJECT CONTACT AFRICA** eBay charity store, with the understanding that these co-conspirators would pay **DAVACHI** a portion of the savings on their sales that they would have otherwise been obligated to pay to eBay and PayPal if sold through legitimate means.

24. Since its creation in 2004, the **PROJECT CONTACT AFRICA** eBay charity account has received in excess of \$10.4 million in payments and deposits. Publicly-available tax filings filed on behalf of **PROJECT CONTACT AFRICA** claims a total of \$865,972 in contributions over this same period of time. Your Affiant is further aware that the items listed for sale in the **PROJECT CONTACT AFRICA** charity store claimed "100% to charity."

DAVACHI's Interactions with Coconspirators

25. Microsoft fraud investigators advised HSI special agents that they were aware of dozens of infringement reports related to **DAVACHI** and **REZ CANDLES, INC.** between late 2011 through 2014, and that all purchases were paid to **donations@projectcontactafrica.com**, **DIGITALDELIVERYDOWNLOADS**, or **REZ CUSTOM CANDLE COMPANY**, all of which are owned or managed by **DAVACHI**.

26. Your Affiant is further aware that **DAVACHI** operated as a source of supply of counterfeit, illicit, and/or unauthorized software and software components to MATTHEW LOCKWOOD ("LOCKWOOD") doing business as DISCOUNT MOUNTAIN, INC. **DAVACHI** engaged in at least 15 transactions for these suspected counterfeit, illicit, and/or

unauthorized software and software components, starting on or about March 25, 2013, and continuing to on or about February 15, 2014, totaling \$1,243,570.

27. Your Affiant is also aware of numerous transactions, including email communications, instant messenger communications, and wire transfers, with at least one suspect source of supply and known counterfeiter in the People's Republic of China. Your Affiant is further aware that **DAVACHI** sent numerous wire transfers totaling approximately \$672,300 to this suspect source of supply in the People's Republic of China as payment for numerous unauthorized product key codes and counterfeit product key cards. In many of these email communications, **DAVACHI** and this suspect source of supply are observed discussing the counterfeit nature of these product key cards. In one communication dated January 31, 2013, this suspect source of supply writes, "Hi **Reza**, I can't write the office card in dhl paper (dhl agent told me), if I write china custom not allow to ship it out, I have to write others, and write low, but I canship in 2 or 3 dhl make it small one." In other communications, **DAVACHI** and this suspect source of supply are observed discussing what sort of "EAN" number (which serves as a sort of European counterpart to the Universal Product Code ("UPC") barcodes) to place on these counterfeit product key cards. In response to **DAVACHI**'s designation of a certain EAN code, his suspect source of supply responds, "Hi Reza, which website to match the EAN code? Please send the lint to me. And you know the card is fake, the Lenovo not have it at now." In June of 2013 **DAVACHI** and this suspect source of supply are observed offering comments relating to a photographic proof of the counterfeit product key card that they jointly designed.

28. Your Affiant also reviewed online chat communications between **DAVACHI** and ROSS wherein they discuss the counterfeit nature of these product key cards, and observed the following notable conversations:

- On June 14, 2013, from approximately 4:41 p.m.-5:37 p.m., the following chat occurred:

DAVACHI: “so if you get all...how many for me..and any Pro keys made into cards?”

ROSS: “Not sure on both yet... I would like to make them all into keys...cards...but we’ll see...be nice if your guy would take the pros otoo”

DAVACHI: “as cards he will”

- On July 15, 2013(11:07 p.m.) and July 16, 2013 (12:03 a.m.), **DAVACHI** and **ROSS** had the following chat, regarding the sale of these counterfeit product key cards:

DAVACHI: “I still get emails from pwople with issues...I think he may be confused or someone in china bought them all”

ROSS: “huh?...He says he got the physical cards from you and keys activate online..you not running lenovos on ebay anymore?”

DAVACHI: “I just can’t believe it...not on bad cards...I can’t risk it

ROSS: “bad cards? You realize every card was a bad card...rofl

DAVACHI: “I have not processed orders since 13th...so hopefully a lot more hb orders if the listing is still up...not in the beginning

ROSS: ‘yes’...every card we ever got”

DAVACHI: “Once I confirmed...I stopped online”

ROSS: “let me know if they all sold”

DAVACHI: “will be going through them in 2 hours”

ROSS: i sent pictures to Microsoft though...and keys...and they said legit and reinstated me with ebay”

DAVACHI: “ I know but they never commented on photo only key”

ROSS: yes, but if they new card was bad, would not authorize reinstatement”

DAVACHI: “ I don’t think they knew obviously...Most computer makers have carte Blanche on how a key is delivered.”

Prior Notice of DAVACHI’s Sales of Counterfeit, Illicit, and Unauthorized Software

29. Your Affiant has also received information from Microsoft fraud representatives indicating **DAVACHI** has been sent numerous cease and desist letters since 2007. In January of 2007, Microsoft sent a cease and desist letter to “Bahareh Davachi (a/k/a **rezcandles**),” (**DAVACHI**’s wife) at **DAVACHI**’s primary residence, demanding **Rez Candles** immediately cease and desist from distributing Microsoft software or related components without the specific brand of computer that they are designated to accompany, as well as all other infringing activities. In November of 2010, Microsoft issued another cease and desist letter to

“Owner/Manager” of **PROJECT CONTACT AFRICA** sent to **DAVACHI**’s business P.O. Box demanding that he immediately cease and desist from acquiring and distributing stand-alone packages of Microsoft Windows XP for Refurbished PCs, and all other unauthorized activity. Also in November 2010, Microsoft issued another cease and desist letter to **Rez Candles** demanding he immediately cease and desist from acquiring and distributing stand-alone packages of Microsoft Windows XP for Refurbished PCs, and all other unauthorized activity.

30. Your Affiant is further aware that, in August of 2010, Adobe sued **DAVACHI** and **PROJECT CONTACT AFRICA** alleging willful copyright and trademark infringement. *See Adobe Systems, Incorporated v. DAVACHI, et al.*, Case No. CV10-3575 SC (W.D. Tx. Aug. 13, 2010). In his Answer, **DAVACHI** admits he managed the “online presence” for **PROJECT CONTACT AFRICA** and cites to the charity’s website.

31. Your Affiant is also aware that **DAVACHI** received extensive negative feedback on the **PROJECT CONTACT AFRICA** eBay charity account for his sales of this counterfeit, illicit, and unauthorized software and software components. Your Affiant is aware of several complaints describing the fraudulent and unauthorized nature of **DAVACHI**’s products, summarized as follows: The majority of the complaints revolved around Microsoft products sold by **DAVACHI** via the **THE SIXTH MAN FOUNDATION/PROJECT CONTACT AFRICA** eBay charity store. Your Affiant observed the following notable complaints:

- “This product is clearly not new and may be a forgery. I called the seller who was extremely rude and combative when I brought these dependencies to light. I request a full refund (including return shipping) and that a full and complete investigation into this sellers SHADY practices be launched immediately. At very least, this sellers listing is extremely misleading and should have his selling privileges revoked.” (August 2011)
- “When we tried to load the program, we got an error message that it was not valid. The 3 download had already been used. You have sold me a fraud. I would like a full refund and I would be happy to send back the worthless disc...” (August 2011)

- “Will not install as it states invalid key code. May not be authentic microsoft software as key code was loose inside and not attached to the jewel case /holder as normally found in microsoft software. I am willing to return to the seller and want a full refund of item. Seller was less than nice to deal with. Would never buy from again” (September 2011)
- “We purchased a new Microsoft Office from your company with the intentions of this to work. All we got was a cd with a invalid registration number. This product has been used.” (June 2012)
- “The software could not be authenticated with Microsoft. Microsoft says it is not a valid key and could not be authenticated. I would like a refund and this person on ebay is no longer on ebay. Ebay said they had pulled this persons ad” (January 2013)
- “This seller tries to mislead by obscuring the fact that this software is actually OEM and not ‘FULL Version’ as claimed. Subsequent listings have been slightly altered but the fact remains this seller is pretending to sell one thing -- BAIT -- and delivering something else: SWITCH. An investigation will also reveal that this is also a bogus charity. Suspend this seller for thirty days.” (January 2013)
- “it is developers copy not legible to sell. Not original product key in it” (June 2013)

Search and Seizure of Counterfeit, Illicit, and Unauthorized Software and Software Components at DAVACHI’s Residence and Business

32. Based on the evidence gathered in the course of this investigation, On December 10, 2014, HSI special agents executed search and seizure warrants at **DAVACHI**’s residence and principal place of business. Seizures include approximately \$72,391.83 in cash, 2,716 Mint Coins, 665 Canadian Mint Counts, 164 Silver Pieces, and a 2013 Tesla Model S valued at approximately \$71,640. Contraband and counterfeit evidence included approximately thousands of items of counterfeit, illicit, and unauthorized software and software components. Significantly, there were in excess of 5,000 standalone Certificates of Authenticity recovered at **DAVACHI**’s business and personal residence that were not affixed to, enclosed with, or accompanying their associated copies of the copyrighted Microsoft computer programs. These items are contained in a civil forfeiture complaint captioned *United States v. \$442,992.97 in United States Currency, et al.*, Civil Case No. 15-00079-CV-W-DGK.

33. HSI special agents collected a sampling of the suspected contraband software and software components seized from **DAVACHI** and submitted it for analysis by Microsoft fraud

investigators. Your Affiant is aware that Microsoft determined that approximately a third of the items submitted for the analysis were high quality counterfeits, and that the remainder of these sampled items were software and software components that, while genuine, were not attached nor affixed to the copies of the copyrighted computer programs, which would be in violation of 18 U.S.C. § 2318.

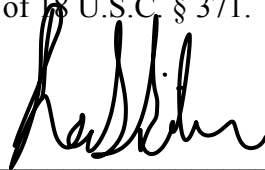
34. Subsequent to these seizures, your Affiant is aware that counsel for the Government has engaged in active discussions with **DAVACHI**'s representatives to achieve a pre-indictment resolution of this matter. Your Affiant is further aware that counsel for the Government has shown a summary of the evidence against **DAVACHI** gathered to date and which would support the forthcoming software piracy charges. Your Affiant is further aware that counsel for the targets of this investigation have been advised that the Government intends on returning an indictment in July of 2015.

35. Your Affiant is further aware that **DAVACHI**'s attorneys were notified via email on the afternoon of June 11, 2015, that two other targets of this investigation, ROSS and LOCKWOOD, had entered into pre-indictment pleas of guilt through plea agreements that contemplated their ongoing cooperation with this investigation and prosecution. *See United States v. Ross*, Case No. 15-00196-CR-W-DGK (Docket Entry #4), and *United States v. Lockwood*, Case No. 15-00197-CR-W-DGK (Docket Entry #4).

36. Your Affiant has since received notice that, within an hour of this email being sent, at 6:35 p.m. on June 11, 2015, **DAVACHI** purchased a round trip ticket departing Baltimore-Washington International Airport for London (United Kingdom) Heathrow Airport on June 17, 2015, at 9:30 p.m. EST.

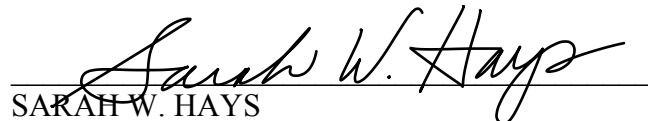
CONCLUSION

37. Your Affiant submits that the information provided in this affidavit shows that there is probable cause to believe that, beginning on or about January 1, 2009, and continuing to on or about December 10, 2014, **REZA DAVACHI** doing business as **REZ CANDLES, INC.** and **PROJECT CONTACT AFRICA**, CASEY LEE ROSS, MATTHEW LOCKWOOD doing business as DISCOUNT MOUNTAIN, INC., INDIVIDUAL B, INDIVIDUAL C, CORPORATION A, CORPORATION B, INDIVIDUAL D, CORPORATION C, CORPORATION D, CORPORATION E, INDIVIDUAL E, CORPORATION F, and others known and unknown to the Grand Jury, did knowingly conspire and agree amongst themselves to commit and to conceal offenses against the United States, that is: to commit the crimes of wire fraud in violation of 18 U.S.C. § 1343; unauthorized solicitation of access devices in violation of 18 U.S.C. § 1029(a)(6); trafficking in counterfeit labels and counterfeit documentation and packaging in violation of 18 U.S.C. § 2318; and trafficking in counterfeit goods in violation of 18 U.S.C. § 2320; all in violation of 18 U.S.C. § 371.



Shawn Gibson
Supervisory Special Agent
Homeland Security Investigations

Sworn to and subscribed before me this 17th day of June, 2015 in Kansas City, Missouri.



SARAH W. HAYS
UNITED STATES CHIEF MAGISTRATE JUDGE